

**State Employee Benefits Advisory Council Meeting
October 31, 2013
Statewide Benefits Office
Dover, Delaware**

The State Employee Benefits Advisory Council met on October 31, 2013 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Faith Rentz, OMB, SW Benefits,
Deputy Director
Dawn Davis, OMD, SW Benefits
Pat Griffin, SEBAC Chair

Marsha Carson, SEBAC, DOS
Mary Cooke, SEBAC, DOE
David Wright, SEBAC, DSEA
Paula Roy, Roy Assoc.

Ms. Griffin called the meeting to order at 10:05 a.m.

Approval of Minutes – (handout)

Ms. Griffin asked for a motion for approval of the September 19, 2013 minutes. Ms. Carson made the motion and Ms. Cooke seconded the motion. Upon unanimous voice vote the minutes were approved.

Update of SEBC Activities

Ms. Rentz reviewed the agenda items for the upcoming SEBC meeting and reminded the group of the formulary changes, as discussed in the September SEBC meeting, which will go into effect in January 2014. Communications to the affected employees will begin in mid-December. Letters will specify the drugs which will change from preferred status to non-preferred and provide alternatives. In late January, letters will go out to announce that some of those specific medications will be excluded from the formulary in July 2014. Ms. Rentz stressed communication is key so that no one is surprised with the changes. The exception policy will remain in place for those that cannot take alternative medication.

Open Enrollment for Medicare Part D participants closed on October 25, 2013. It was a non event because most pensioners had already enrolled and no action was necessary. The Pension Office took all calls and reported no problems.

Open Enrollment for the Flexible Spending Account begins November 4 - 26, 2013. Postcards were mailed out to the employee population in mid-October. Maximum contribution limits for the health care and dependent care spending accounts remain the same at \$2,500 and \$5,000 respectively for 2014. Participants need to re-enroll on an annual basis.

The July, August and September 2013 Fund and Equity Reports were reviewed and discussed. It was noted that the reports provided at the September 23 SEBC meeting included in the fund balance, Medicare subsidy funds of \$7.1M for the second part of 2013 that should not have been assigned. This correction to the fund balances reduced the July ending balance to \$14.4M. The balance further decreased to \$13.5M in August and to \$13.4M at the end of September. Ms. Rentz commented that the subsidy of \$7.1M for the first part of 2013 is currently in the health fund. The SEBC will be asked to vote on whether the money should remain in the health fund or be moved into the OPEB Trust as in previous years.

Ms. Rentz stated that the July claims total of \$12M (average is \$8M) was higher due to claims that were not processed during the three week period as BCBS DE converted to Highmark DE.

Ms. Rentz commented that there have been several situations that have arisen regarding eligibility for health coverage through the Group Health Program since the roll out of the Marketplace on October 1, 2013. Many employers are changing or eliminating coverage for our employee's spouses and dependents all together. As a result of these changes, Ms. Rentz reviewed for consideration, new additions to the Eligibility and Enrollment Rules section 4.07. All requests for enrollment must be made within 30 days of the loss of coverage.

(f) If an employee's spouse's employer drops health care coverage entirely for its employees, the spouse is eligible to be enrolled in the State's Program.

(g) If an employee's spouse's employer is offering coverage to its employees through the Small Business Health Options Program (SHOP), the spouse is required to enroll in the SHOP coverage unless the share of the premium is more than 50% of the total cost of the coverage. The State will be secondary if the employee chooses to cover their spouse.

(h) If medical insurance is more affordable through the Marketplace, an employee can drop the State's coverage for themselves and/or his dependents. This may apply to part-time employees who receive no state share.

(i) If an employee loses coverage under another employer group plan other than during the State plan's annual Open Enrollment period, the State plan allows for the employee to enroll mid-year.

Ms. Rentz reviewed the Group Universal Life (GUL) slide presentation and commented that in May of 2012 the SEBC Committee voted to extend the contract to Minnesota Life for an additional three years until December 30, 2015. The GUL rates are affordable and extremely popular among retired and terminated employees in that it provides a portable option of half the face value upon employment separation. The Group Universal Life is the only benefit that has not gone out to bid for ten years. Usually contracts are bid every five years.

It is proposed that the Statewide Benefits Office work with Segal to go out to leaders in the industry and gather information to see what options there are and report back to the SEBC in January 2014. The RFP will be prepared for release in early 2014 for recommended implementation of new contract effective July 1, 2015 to coincide with other open enrollments, which is expected to yield a better response if held at the same time.

SEBAC Comments to SEBC

SEBAC supports the changes to the Eligibility and Enrollment Rules as well as the Statewide Benefits Office's recommendation to approve the Medicare drug subsidy of \$7.1M be moved to the OPEB Trust, less \$300,000 to remain in the health fund for future reconciliation purposes

Public Comment

None.

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Ms. Rentz advised that SEBAC will meet next on December 12, 2013, and asked for a motion to adjourn. Ms. Carson made the motion and Ms. Cooke seconded the motion. Upon a unanimous verbal approval, the meeting adjourned at 11:35 a.m.

Respectfully submitted,

Dawn M. Davis
Secretary
Statewide Benefits, OMB